



**Final
Report**

County of San Diego, California

Auditor and Controller

Firestorm 2007 Expenditures Submitted for FEMA/OES Reimbursement Validation Audit – Parks and Recreation

Office of Audits & Advisory Services

**March 2009
Report No. A09-029**



COUNTY OF SAN DIEGO

INTER-DEPARTMENTAL CORRESPONDENCE

March 13, 2009

TO: Renee Bahl, Director
Parks and Recreation

FROM: Kenneth J. Mory
Chief of Audits

FINAL REPORT: FIRESTORM 2007 EXPENDITURES SUBMITTED FOR FEMA/OES
REIMBURSEMENT VALIDATION AUDIT – PARKS AND RECREATION

Enclosed is our report on the Firestorm 2007 Expenditures Submitted for FEMA/OES Reimbursement Validation Audit – Parks and Recreation. Although the report includes audit findings, no response is required.

Thank you for the courteousness and cooperation extended to the Office of Audits & Advisory Services during the course of the audit.

If you have any immediate concerns about the report, please contact me at (858) 495-5662.



KENNETH J. MORY
Chief of Audits

AUD:KMW:aps

Enclosure

c: Chandra Wallar, Deputy Chief Administrative Officer, Land Use and Environment Group
Donald F. Steuer, Chief Financial Officer
Tracy M. Sandoval, Assistant Chief Financial Officer/Auditor and Controller
Kathleen Flannery, Group Finance Director, Land Use and Environment Group

INTRODUCTION AND BACKGROUND

Starting on October 21, 2007, seven wildfires burned through the County of San Diego. These fires resulted in over 369,000 acres burned, or 13% of the County's total land mass. Extensive damage was caused to 1,751 homes, 800 outbuildings, 253 structures, 239 vehicles, and two commercial properties.

As declared by the Federal Emergency Management Agency (FEMA), Firestorm 2007's official incident period began October 21, 2007. It was officially closed as of March 31, 2008.

Beginning on October 21, 2007, various departments in San Diego County mobilized employees to assist in multiple disaster-related activities. County departments worked to procure and disseminate materials and to provide disaster assistance to County citizens with personal, property, and/or livestock issues, as well as to provide fire-fighting efforts and other services toward the safety and well-being of displaced and affiliated County residents.

The Director, Office of Emergency Services (OES), has been leading the overall County operational efforts while the Group Finance Director, Public Safety Group, has led the Finance team.

The Chief Financial Officer (CFO) requested that the Office of Audits & Advisory Services (OAAS) conduct an audit of the Department of Parks and Recreation's (DPR) Firestorm 2007 related expenditures amounts claimed for reimbursement to:

- 1) Prevent any material disallowance by the Office of Inspector General (OIG) of amounts claimed; and
- 2) Provide reasonable assurance to the CFO and County management that the claims and reimbursements are adequately supported.

DPR submitted two claims for hazardous tree cutting and chipping services resulting from the October 2007 wildfires (Firestorm 2007) in the amounts of \$3,490 (Del Dios Highland Preserve) and \$8,020 (Hellhole Canyon Preserve). The FEMA project officer assigned PKS44 and PKS120 as the tracking numbers. DPR submitted a claim of \$6,452 for labor costs when DPR employees performed emergency protective measures. The FEMA project officer assigned PKS54 as the tracking number.

AUDIT SCOPE AND LIMITATIONS

The objective of the audit was to ensure that the department has gathered, organized, titled, and referenced documentation supporting cost claims on FEMA Project Worksheets (PWs) and State Damage Survey Reports (DSRs), and that all the supporting documentation will be maintained in a manner that the OIG and other reviewers can easily follow. OAAS' review did not include PW's amount covered by insurance claims.

The information reviewed and submitted for reimbursement was based on expenditures as reported by the DPR. FEMA/OES project officers assigned to the DPR made the final eligibility

determination. OAAS did not make eligibility determinations of the expenditures submitted to FEMA/OES for reimbursement.

This audit was conducted in accordance with auditing standards prescribed by the Institute of Internal Auditors, Inc., as required by California Government Code, Section 1236.

METHODOLOGY

OAAS reviewed the supporting documentation for the DPR costs submitted to FEMA or State for reimbursement by:

- Verifying that all supporting documentation was organized, titled, and cross-referenced with the line items listed on each PW or DSR;
- Reviewing the Damage Description and Scope of Work (SOW) to verify the types of expenses incurred in the PW or DSR;
- Comparing the amount reported on the PW or DSR to the amounts provided in supporting documentation to ensure the total amounts reconciled and that required documentation was provided;
- Recalculating the total amount claimed to ensure that the amount calculated from the supporting documentation agreed with the total amount listed on the PW or DSR;
- Reviewing payroll records to ensure the overtime hours incurred and rates applied were reconciled with those claimed on the PW, and to determine if overtime and related benefits were correctly calculated and properly supported; and
- Reviewing the expenditures to determine the purchases were correctly calculated and properly supported.

AUDIT RESULTS

OAAS' review of supporting documentation confirmed that expenditures of \$7,550 were properly substantiated. However, while verifying the accuracy of the calculations and reconciling supporting records with the amount claimed on the PWs, OAAS identified the following discrepancies:

Finding I: Estimated Amount on Project Worksheets

The cost of tree cutting and chipping services was estimated at \$3,490 using FEMA cost codes; however, the actual expense incurred was \$1,365. Therefore, as illustrated in Table 1 (line 1), only the actual expense incurred can be cleared.

Finding II: Incorrect Fringe Benefit Rate

DPR calculated fringe benefits using an incorrect worker's compensation rate. DPR revised their Force Account Labor Summary Record to include the correct worker's compensation rate of 2.44% and made the necessary changes.

Finding III: Incorrect Hourly Rate Used

DPR calculated the overtime hourly rate incorrectly. Hours worked should be separated by Basic Overtime (BOT) and Premium Overtime (POT). PKS54 claimed \$6,452 of which \$6,185 (the correct amount) can be cleared. (See Table 1, line 2).

Finding IV: Work Not Completed Within Incident Time Limits

Work for PKS 120 was not completed within the six month incident period as defined by the FEMA Public Assistance Guide. Additionally, no extension was filed by the department. Therefore, OAAS is not able to clear any amounts related to this project worksheet (See Table 1, line 3). It should also be noted that while an estimated amount of \$8,020 was claimed on the PW, only \$4,490 in actual expenses was incurred.

Table 1: Discrepancies on the Project Worksheets (PW)

	PW Number	Amount Claimed	Amount Cleared
1	PKS44	\$3,490	\$1,365
2	PKS54	\$6,452	\$6,185
3	PKS120	\$8,020	\$0
	Total	\$17,962	\$7,550

The department should maintain all original supporting documentation for the FEMA claims and keep them separate from other documentation.

COMMENDATION

The Office of Audits & Advisory Services commends and sincerely appreciates the courteousness and cooperation extended by the Department of Parks and Recreation officers and staff throughout this audit.

AUDIT TEAM

Jim Pelletier, Senior Audit Manager
Kathleen Whitehead, Auditor I
Geena Balistrieri, Auditor I